

# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION HEALTH BENEFITS COMMITTEE MEETING MINUTES

April 21, 2009

The Health Benefits Committee met on Tuesday, April 21, 2009, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:45 a.m. with the following members present:

Priya Mathur, Chair
George Diehr, Vice Chair
Ruth Holton-Hodson representing John Chiang
Rob Feckner
Debbie Endsley representing David Gilb
Henry Jones
Tricia Wynne representing Bill Lockyer
Tony Oliveira
Kurato Shimada

At this time, the Health Benefits Committee recessed into Closed Session and reconvened Open Session at 10:14 a.m.

## AGENDA ITEM 2 – APPROVAL OF MARCH 17, 2009, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The March 17, 2009, Health Benefits Committee meeting minutes were approved with a correction to show David Gilb represented by Debbie Endsley.

# AGENDA ITEM 3A – PREVENTIVE CARE AND SCREENINGS: HEALTH CARE DECISION SUPPORT SYSTEM REPORTING PROGRAM

As an information item, Kathy Donneson, Office of Health Policy and Program Support presented information on the third costliest healthcare category for Basic plans: Preventive/Screening/Tests. The report explained the types of services in this category, showed trends for Basic plans for 2004-2007, and plan comparisons for the Screenings group of services.

#### AGENDA ITEM 3B - CALIFORNIA ENDOWMENT PREVENTIVE STUDY

As an information item, Dr. Jeffrey Moy, Office of Health Plan Administration, provided an overview of the California Endowment Preventive Study and the interest in replicating the "Prevention for a Healthier California" analysis using CalPERS health data. The project goals would be to: estimate the potential savings from greater

disease prevention efforts for CalPERS; and, explore strategies for CalPERS to achieve those savings.

#### AGENDA ITEM 3C - PURCHASE OF MEDICARE PARTS A AND B

Kathy Donneson, Office of Health Policy and Program Support, presented staff's recommendation to move Medicare-age retirees in CalPERS Basic health plans to CalPERS Medicare plans.

On **MOTION** by Kurato Shimada, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to: A) Pursue the purchase of Medicare Part A premiums and payment of resulting late enrollment penalties for all Medicare-age retirees currently unable to qualify for Part A without cost, so they can be moved from a CalPERS Basic plan to a CalPERS Medicare plan; and, B) Direct staff to amend PEMHCA regulations and revise agency contracts to require that contracting agencies enroll Medicare-eligible members in Medicare Part A and B **before** joining the PEMHCA program.

At this time, the Health Benefits Committee took a ten minute recess.

#### AGENDA ITEM 3D - MEDICAL HOME PILOT

As an information item, Dr. Arnold Milstein, Mercer Health and Benefits, presented the potential feasibility of launching a Medical Home Pilot within the CalPERS Health Program. Staff sees this concept as a logical extension and enhancement to our strategic focus on population health improvement and disease management for members with chronic conditions.

# AGENDA ITEM 3E – CALIFORNIA REGIONAL HEALTH INFORMATION ORGANIZATION UPDATE

As an information item, Molly Coye, California Regional Health Information Organization (CalRHIO), provided the Committee with an update on the progress of a statewide Health Information Exchange System to facilitate the secure sharing of available patient clinical information across the California health care system, currently being developed by CalRHIO.

At this time, Greg Beatty represented David Gilb.

### AGENDA ITEM 4A – HILL/CATHOLIC HEALTHCARE WEST PILOT

Tom McCaffrey, Blue Shield of California, presented a proposed 2010 pilot project in the Sacramento area market that will focus on the reduction of healthcare costs in this region and lead to lower 2010 premiums for participating CalPERS members.

On **MOTION** by George Diehr, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to approve CalPERS participation in the proposed pilot project.

At this time, Grant Boyken represented Bill Lockyear.

# AGENDA ITEM 5A – USE OF PREFERRED PROVIDER ORGANIZATION RESERVES

Gary McCollum, Actuarial and Employer Services Branch, presented staff's recommendation on the proposed use of the self-funded Preferred Provider Organizations' excess reserves.

On **MOTION** by George Diehr, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to approve the use of the Preferred Provider Organizations' excess reserves to offset employer and subscriber premium payments for two months beginning July 1, 2009; and, move forward on legislation that would allow an equal premium offset to each of the self-funded health plans.

The following people spoke on this item:

Michael Smalley, California Correctional Peace Officers' Association Neal Johnson, SEIU Local 1000

#### AGENDA ITEM 6 - ASSISTANT EXECUTIVE OFFICER REPORT

Gregory A. Franklin, Assistant Executive Officer, Health Benefits Branch, provided the Committee with information on the National Healthcare Reform White House briefing; the Health Benefits Branch Consultant Pool; and, the COBRA program.

## AGENDA ITEM 7 – PROPOSED AGENDA FOR MAY 12, 2009, HEALTH BENEFITS COMMITTEE MEETING

The proposed May 12, 2009, Health Benefits Committee agenda was approved with the addition of the following items:

- CalRHIO Update
- Delta Dental Disease Management Pilot
- Health Benefits Branch Consulting Pool

#### **AGENDA ITEM 8 - PUBLIC COMMENT**

Randall Cheek, SEIU Local 1000, spoke regarding the 2010 CalPERS rate negotiation process.

The meeting was adjourned at 1:19 p.m.

The next meeting of the Committee is scheduled for May 12, 2009, in Sacramento, California, following adjournment of the Benefits and Program Administration Committee.

ANNE STAUSBOLL	
Chief Executive Officer	